



**STATE OF DELAWARE**  
**STATE BOARD OF PENSION TRUSTEES**  
**AND**  
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**BOARD OF PENSION TRUSTEES GOVERNANCE COMMITTEE**  
**PUBLIC MEETING MINUTES OF MAY 18, 2023**

The Governance Committee meeting was called to order by P. Tikellis, Chair, at 10:02 a.m. via video and teleconferencing.

**Members Present**

Pam Tikellis  
Dale Stratton  
George Saxon

**Members Absent**

Jim Burke  
Harold Stafford

**Others Present**

Joanna Adams, Pension Office  
Stephenie Tatman, Pension Office  
Vicki Schultes, Pension Office  
Ryan Connell, Deputy Attorney General  
Bill O'Brien, Deputy Attorney General

**1. OPENING COMMENTS**

P. Tikellis welcomed everyone to the meeting.

**2. PUBLIC COMMENTS**

No public comments were presented.

**3. APPROVAL OF THE MINUTES**

The Public Minutes of the February 28, 2023 Governance Committee meeting were reviewed.

**MOTION** made by D. Stratton and seconded by G. Saxon to approve the Public Minutes of the February 28, 2023 meeting as submitted.

**MOTION ADOPTED UNANIMOUSLY**

The Executive Minutes of the February 28, 2023 Governance Committee meeting were reviewed in Executive Session.

**MOTION** made by G. Saxon and seconded by D. Stratton to approve the Executive Minutes of the February 28, 2023 meeting as submitted.

**MOTION ADOPTED UNANIMOUSLY**

#### **4. PENSION ADMINISTRATOR UPDATES**

LEGISLATION: J. Adams reported on the following active legislation:

*SENATE BILL 42:*

This Act increases the burial benefit for individuals eligible to receive a pension under the State Employees' Pension Plan from \$7,000 to \$10,000. Two substitutions to the original bill have been introduced since the February 28, 2023 Governance Committee meeting. Senate Substitute 2 was introduced and adopted in lieu of Senate Bill 42 on May 2, 2023. Any changes resulting from the substitutions have no impact on the Office of Pensions (Office).

*HOUSE BILL 63:*

This Act allows pensioners to earn \$50,000 (instead of \$40,000) before incurring a \$1.00 deduction to their state pension for every \$2.00 earned over that amount. This was reported out of the Senate Elections and Government Affairs Committee on March 28, 2023. There is no direct cost to the State should this Act be signed into law.

*HOUSE BILL 64:*

Presently, a new spouse of a survivor pensioner is not eligible for health care. This Act authorizes coverage for the spouse of a survivor who qualified to receive a deceased pensioner's retirement benefits prior to May 15, 2012. This bill was tabled in the House Administration Committee on March 15<sup>th</sup>, 2023.

POSITIONS UPDATE:

Ms. Adams reported the Office is in the final stages of the interview and hiring process for two Human Resource Information System (HRIS) Lead positions for the Enterprise Resource Planning (ERP) section.

Three positions are on hold:

- Administrative Specialist II: This position has been submitted to the Department of Human Resources (DHR) for reclassification.
- Cash & Debt Manager: This is K. Makanjuola's former position. A Request to Fill (RTF) was submitted to DHR, which did not result in the application of qualified candidates. The Office then submitted a reclassification request to DHR which was approved. The Office is hoping this will result in a qualified candidate applying and being hired to fill this vacancy.
- Human Resource Analyst III: This position is vacant due to internal promotion.

The Administrative Specialist III and 5 Human Resource Analyst I positions have been hired to start in the near future. The Office is looking forward to providing an update at the next Governance Committee meeting.

Lastly, the Office acknowledges the concern regarding the ongoing vacancy of the Cash and Debt Manager position. It is advantageous for the Investments and Accounting section to work with K. Makanjuola to compile the financial report, but this would impact her availability to the Internal Audit Director role. The Office is hopeful that the position will be reclassified and posted and filled soon, so that K. Makanjuola can work side by side with the hired candidate. There is going to be a certain degree of inability for K.

Makanjuola's to completely fulfill her independent obligations as Internal Audit Director. When internal audit projects reach KPMG's areas of expertise, K. Makanjuola will rely on KPMG to provide oversight of these initiatives.

BEST PRACTICES/SELF-ASSESSMENT LIST:

J. Adams reported that the Office is in the process of developing a marketing plan for a mobile DPERS app. An Office of Pensions mobile app will soon be available for smartphones; it is currently in the "infancy stage" of development. Users will be able to search DPERS or Delaware Pensions and the app will display. The app does not connect to live data so there are no security concerns. The app is simply a communications tool for the Office to stay connected to our members. It is a source of information and a way to push notifications out to our members.

OTHER ITEMS:

RETIREE HEALTHCARE BENEFITS ADVISORY SUBCOMMITTEE (RHBAS)

J. Adams reported that this subcommittee was created to receive public comment and conduct public meetings about current and future State retiree healthcare benefits. This subcommittee also evaluates options for continuing to provide strong State retiree healthcare benefits in a fiscally sustainable way, and issues findings and recommendations to the Governor and General Assembly. The RHBAS is currently meeting twice a month. Cheiron is providing the actuarial calculations as needed.

COMMUNICATIONS:

J. Adams reported an Active Employees Newsletter that was published and distributed in March. Prior to this, the last Active Employees Newsletter was published in 2014. J. Adams commended S. Tatman and the Communications Committee for continually striving toward increasing communication with DPERS' members.

ACTUARIAL REQUEST FOR PROPOSAL (RFP) STATUS:

J. Adams reported that the Actuarial RFP has been completed. The Office will retain Cheiron for actuarial services and valuations. Buck has been awarded the contract to perform the actuary audit on Cheiron. J. Adams extended additional commendations to S. Tatman for her work on the RFP.

ERP MODERNIZATION PROJECT STATUS:

J. Adams reported that the Office is continuing to move forward with documenting business processes. Theoretically, DPERS' RFP could be completed by the end of 2024, ahead of other systems. The documentation of business practices is taking longer due to the number and complexity of the current system's customizations.

## **5. BOARD OF PENSION TRUSTEES REPORT**

J. Adams reported that a presentation on cybersecurity was recently provided to the Board of Pension Trustees by Department of Technology and Information Chief Security Officer Solomon Adote. The number one risk to DPERS is our employees' human nature, such as clicking on a phishing email, etc. The presentation was very thorough and informative.

## **6. COMMITTEE UPDATES**

INVESTMENT COMMITTEE:

The next Investment Committee meeting is scheduled for June 13, 2023.

AUDIT COMMITTEE:

The next Audit Committee meeting is scheduled for July 14, 2023.

## 7. DEPUTY ATTORNEY GENERAL UPDATE

R. Connell reported on the review of the Office policies. This review serves a two-fold purpose: it acts as an educational opportunity to refamiliarize Board and Committee members on the policy's content and ensures that the policies are up to date. This review encourages suggestions so that improvements can be made, if needed. The first two policies being reviewed - the Code of Conduct and the Board Education Policy - appear to be satisfactory. The Code of Conduct is distributed to and certified by Board of Pension Trustees members annually.

Governance Committee members are encouraged to review these policies and bring suggestions and/or comments to the next Governance Committee meeting.

**MOTION** made by D. Stratton and seconded by G. Saxon to enter into Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

**MOTION ADOPTED UNANIMOUSLY**

## 8. NEW BUSINESS

The remaining 2023 Governance Committee meetings are scheduled for August 17<sup>th</sup> and November 9<sup>th</sup>.

## 9. ADJOURNMENT

There being no further business:

**MOTION** was made at 10:55 a.m. by D. Stratton and seconded by G. Saxon to adjourn the meeting.

**MOTION ADOPTED UNANIMOUSLY**

Respectfully submitted,



Joanna M. Adams  
Pension Administrator



Pamela Tikellis (Aug 17, 2023 16:36 EDT)  
Pamela Tikellis, Chair  
Governance Committee